



Bi-weekly Bulletin

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CHICKPEAS: SITUATION AND OUTLOOK

In Canada, commercial chickpea production started in the mid-1990s and grew rapidly until reaching its peak of 455,000 tonnes (t) in 2001-2002. For the next three years production declined, but started recovering in 2005-2006. Canadian exports followed production trends and Canada became a major exporter of chickpeas, placing among the top five in the world. The value of Canadian chickpea exports declined from a high of \$83 million (M) in 2001 to \$37M in 2005. For 2006-2007, production and exports are expected to increase from 2005-2006, and prices are forecast to decrease for the kabuli type and increase for the desi type. This issue of the *Bi-weekly Bulletin* examines the situation and outlook for chickpeas.

WORLD

Production

During the past 10 years, although world production has been variable, ranging from a low of 6.76 million tonnes (Mt) in 2000-2001 to a high of 9.56 Mt in 1998-1999, there has not been a downward or an upward trend. India accounted for 60-70% of world production during this period.

The two commercial types of chickpeas produced are desi and kabuli. Countries in the Indian sub-continent and Australia produced mainly the desi type, Canada produces both the kabuli and desi types, and the remaining countries produced mainly the kabuli type. On average, world production consisted of about 75% desi type and 25% kabuli type. Production of the kabuli type is more dispersed and therefore less variable than for the desi type.

Trade

World exports during the past 10 years were variable, but with no downward or upward trend. Exports ranged from a low of 514,000 t in calendar year 1999 to a high of 998,000 t in 2001, depending mainly on domestic

production volumes in India and other countries which both produce and import chickpeas. In 2004, the latest year for which complete world trade statistics are

available, exports were 682,000 t. During the past 10 years, India was the largest importer of chickpeas, but imports were extremely variable, depending on the

volume of production in India and price. India and surrounding countries import mainly the desi type, while countries in North and South America, Europe, the Middle East and Africa import mainly the kabuli type.

WORLD: CHICKPEA SUPPLY AND DISPOSITION

	2002 -2003	2003 -2004	2004 -2005	2005 -2006p	2006 -2007f
Harvested Area (kha)	9,900	10,925	10,545	10,710	10,800
Average Yields (t/ha)	0.72	0.80	0.79	0.82	0.80
.....thousand tonnes.....					
Carry-in Stocks (e)	400	100	400	300	500
Production:					
India	4,240	5,720	5,470	5,650	5,700
Turkey	650	600	620	610	610
Pakistan	362	675	611	868	400
Australia	139	186	123	138	304
Iran	300	310	310	310	280
Mexico	235	240	240	240	240
Myanmar	212	228	230	230	230
Canada	156	68	51	104	163
Ethiopia	187	114	136	135	135
Iraq	97	104	100	95	100
United States	38	20	27	49	67
Syria	89	87	45	55	55
Spain	70	51	57	18	40
Morocco	51	43	42	42	40
Other	259	275	271	288	286
Total Production	7,085	8,721	8,333	8,832	8,650
Total Production - Kabuli (e)	2,103	1,885	1,871	1,914	2,005
Total Production - Desi (e)	4,982	6,866	6,462	6,918	6,645
Total Supply	7,485	8,821	8,733	9,132	9,150
Total Use (e)	7,385	8,421	8,433	8,632	8,650
Carry-out Stocks (e)	100	400	300	500	500
Stocks-to-use ratio	1%	5%	4%	6%	6%

e: estimate, AAFC, September 2006; p: preliminary
f: forecast, AAFC and Pulse Australia, September 2006

Source: FAO, India Department of Agriculture, ABARE, Pulse Australia, USDA and Statistics Canada

CANADA

Production

Chickpea production at the commercial level in Canada started in 1995-1996 at about 1,000 t, but increased rapidly during the next six years to 455,000 t in 2001-2002. Production fell sharply in 2002-2003 due to lower seeded area and wet harvest conditions. Seeded area and production fell further in 2003-2004 and 2004-2005. The decreases in seeded area were due to the difficulty and high cost of controlling ascochyta blight, yield and quality losses during wet harvests, and price decreases. Production recovered in 2005-2006 as higher prices for the kabuli type encouraged additional seeding.

Saskatchewan accounted for at least 80% of Canadian production and Alberta for the balance. Chickpeas have contributed to the diversification of crop production in these provinces and are valuable in crop rotations which improve soil tilth and fertility. The production of chickpeas has also contributed to the expansion of the pulse crops handling, marketing and processing industry, which increased employment opportunities in rural areas.

Kabuli chickpeas, also known as garbanzo beans, have a larger, cream-coloured seed with a thin seed coat. The desi type has a smaller, darker coloured seed with a thick seed coat. Included in kabuli chickpea production are the large kabuli type with the seed size mostly 8-9 millimetres (mm) and a seed weight of about 410-490 grams/1000 seed, and the small kabuli type, which have a more uniform seed size of about 7 mm and a seed weight of about 265 grams/1000 seed. Yields of the desi and small kabuli types are about 20% higher than of the large kabuli type.

There are two serious limitations for chickpea production in Canada, the long growing season requirement for current varieties and the high risk of the extremely aggressive disease, ascochyta blight. Chickpeas have an indeterminate growth habit and will continue to flower while growing conditions remain favourable for vegetative growth. Thus, moisture or nitrogen stress is required to encourage seed set and hasten maturity. The ideal growing conditions are moderate precipitation and normal to above normal temperatures from seeding to late July and then drought for the maturing and harvest periods. Because of the growth habit, kabuli chickpeas are best adapted to the Brown soil zone and desi chickpeas to the Dark Brown and Brown soil zones. Both soil zones are located in south-western Saskatchewan and south-eastern Alberta. Chickpeas are relatively drought tolerant due to the long tap root. They are not well adapted to high moisture areas, saline soils, soils which are slow to warm in the spring and wet or waterlogged soils. Chickpea production works well in rotation with cereal grains such as spring or

durum wheat. Nitrogen fertilizer is usually not required since chickpeas possess the ability to fix nitrogen from the air in nodules on the roots where it is used for plant growth. To maximize the nitrogen fixation ability, chickpea seed should be inoculated with the chickpea strain of nitrogen-fixing inoculants.

The stage of crop development should be closely monitored nearing harvest, as weathered seed and dark seed discolouration (green, brown, black) makes the seed less desirable to processors and consumers. Kabuli chickpea colour is especially important because buyers prefer

a yellowish-cream colour. Early fall frost can result in green discolouration of immature kabuli chickpea seed, which will reduce the value of the crop. Other important factors affecting visual quality are levels of admixture, seed size and seed uniformity. The use of conveyors instead of augers when handling chickpeas will reduce mechanical damage. The Canadian chickpea harvest generally occurs during the period from late-August to early October.

Marketing

All of the chickpeas produced in Canada are sold on the open market to dealers, mainly in Saskatchewan, who buy, clean and ship chickpeas to domestic and export consumers. There is also some dehulling and splitting of desi chickpeas in Saskatchewan. Some chickpeas are grown, under production contracts, which guarantee a price for part of the production, but most are sold on the spot market. Chickpeas are shipped mainly bagged in containers, although some are also shipped bulk in containers or bulk inside the hold of ships.

Domestic Use

Domestic use consists of food, feed, seed, dockage and waste. Only small volumes of low quality chickpeas are used for livestock feed, however nutritional analysis indicates that they make an excellent feed for hogs, cattle and poultry.

Exports

Canadian chickpea exports had been increasing, in line with the increase in production, and Canada became the world's third largest exporter in 2002. For the next three years, exports decreased as production fell, and Canada became the fourth or fifth largest exporter in the world, but with the recovery in production, Canada could once again become the third largest exporter. The main markets by region, with the leading countries in brackets, are: Asia (India, Pakistan and Bangladesh), Europe (Spain, Italy, Portugal, United Kingdom and Belgium), the Middle East (United Arab Emirates, Jordan and Egypt), Africa (Algeria), South America (Colombia and Brazil), Central America and the Caribbean (Trinidad and Tobago),

CANADA: CHICKPEA SUPPLY AND DISPOSITION

<i>crop year</i> <i>August-July</i>	2002 -2003	2003 -2004	2004 -2005	2005 -2006p	2006 -2007f
Seeded Area (kha)	221	63	47	79	144
Harvested Area (kha)	154	63	39	73	142
Yield (t/ha)	1.01	1.08	1.31	1.42	1.15
.....thousand tonnes.....					
Carry-in stocks	180	80	25	5	10
Production:					
Large Kabuli	55	22	23	47	69
Small Kabuli	31	15	17	45	73
Desi	70	31	11	12	21
Total Production	156	68	51	104	163
Imports	9	2	4	8	5
Total Supply	345	150	80	117	178
Exports:					
Asia	71	34	16	31	55
Europe	10	15	12	14	16
Middle East	10	3	2	9	14
South America	6	7	8	7	9
Africa	3	5	3	3	8
United States	4	5	5	3	3
Central America and the Caribbean	1	5	1	3	5
Total Exports	105	74	47	70	110
Total Domestic Use	160	51	28	37	43
Total Use	265	125	75	107	153
Carry-out Stocks	80	25	5	10	25
Stocks-to-use ratio	30%	20%	7%	9%	16%
Seeded Area (kac)	546	156	116	195	356
Harvested Area (kac)	381	156	96	180	351
Yield (lb./ac.)	904	963	1,167	1,271	1,026
Average producer price*					
Large Kabuli \$/t	518	507	650	661	573
¢/lb	23.50	23.00	29.50	30.00	26.00
Small Kabuli \$/t	353	309	364	452	419
¢/lb	16.00	14.00	16.50	20.50	19.00
Desi \$/t	342	231	231	265	353
¢/lb	15.50	10.50	10.50	12.00	16.00

* Saskatchewan, No.1 CW grade

p: preliminary

f: forecast, Agriculture and Agri-Food Canada, September 2006

Source: Statistics Canada and AAFC



CANADA: GRAINS AND OILSEEDS OUTLOOK

September 1st, 2006

For 2006-07, the production of grains and oilseeds in Canada is estimated to decrease to 61.7 million tonnes (Mt), from 66.7 Mt in 2005-06, vs. the 10-year average of 60 Mt, based on Statistics Canada's (STC) "July 31 Estimate of Production of Principal Field Crops". On average, yields are estimated to be about 9% below 2005-06. Harvest progress is ahead of 2005-06 and ahead of normal. Quality of all crops is expected to be above average, with a better than normal grade distribution. In western Canada, production is estimated to decrease by 10% from 2005-06, to 45.6 Mt as lower yields more-than offset higher harvested area. In eastern Canada, production is estimated to rise by 1% to 16.1 Mt due to higher yields.

Total domestic supply of grains and oilseeds in Canada is forecast to decrease by 2% from 2005-06, as lower production more than offsets the higher carry-in stocks. Exports and total domestic use are forecast to increase. Carry-out stocks are expected to decrease by about 25% to near-normal levels. Prices in Canada for all crops will continue to be pressured by the strong Canadian dollar but are expected to be higher than in 2005-06, except for flaxseed and soybeans. The major factors to watch are: US and Canadian crop development and harvest conditions, the biofuel market, ocean freight rates and exchange rates.

DURUM

Production is forecast to fall by 42% due to lower area and yields. However, supply is expected to decrease by only 20% due to the record 3.3 Mt carry-in stocks. Exports are forecast to decrease due to lower demand from North Africa and the EU, which will be partly offset by higher imports from the US. Carry-out stocks are forecast to fall but remain slightly above the 10-year average. The Canadian Wheat Board (CWB) Pool Return Outlook (PRO) is rising from earlier expectations due to the declining production prospects for North America, and is now 4% higher than 2005-06. The discount of No.1 CWAD 11.5 to No.1 CWSR 11.5 is projected at a record \$12/t.

WHEAT (excluding durum)

For 2006-07, production is forecast to increase by 8%, as increased area harvested more-than offsets the lower yields. Supply is expected to rise by 10%, supported by higher carry-in stocks. Exports are forecast to increase by 30%, due to increased supplies of good quality wheat in western Canada, record Ontario production of 2.7 Mt and reduced competition from other exporters. Industrial use is expected to rise due to increased ethanol production but feed use is forecast to decrease because of the improved quality of the wheat crop. Carry-out stocks are expected to decline by 11%. The CWB PRO for high protein Nos. 1 and 2 CWSR was lowered from the previous month, due to falling protein premiums resulting from the good quality of the US and Canadian crops, but returns are expected to be well above 2005-06 for all grades.

BARLEY

Production is forecast to decrease by 18%, due to lower area and yields. Supply is expected to fall by 15%. Exports are forecast to decrease by 14%, as lower feed barley exports are only partially offset by higher exports of malting barley. Despite lower exports and domestic feed use, carry-out stocks are forecast to fall significantly. The average off-Board

feed barley price (No.1 CW, in-store Lethbridge) is forecast to increase by \$20/t from 2005-06. The CWB PRO for No. 1 CW feed barley for Pool A in 2006-07 is \$129/t, vs. \$127/t for Pool B in 2005-06. The CWB PRO for SS2R malting barley is \$179/t vs. \$171/t for 2005-06, due to lower expected exportable supply in Australia and strong import demand from the US.

CORN

Production is forecast to decrease by 5% due to lower yields. Imports are forecast to increase significantly from 2005-06, as a result of lower domestic supply, and strong demand for animal feed and ethanol. Carry-out stocks are forecast to drop by 25%. The average price at Chatham elevator is forecast to increase by about 20% due to higher US corn prices.

OATS

Production is forecast to increase by 10% due to higher harvested area. Supply is expected to increase, as higher production more than offsets lower carry-in stocks. Exports are forecast to rise slightly from 2005-06, as a result of strong US import demand. Feed use is expected to rise by 9%. Carry-out stocks are projected to be the same as 2005-06. The average Chicago Board of Trade oat nearby futures price is forecast to remain unchanged from 2005-06, narrowing the US price premium for oats over corn.

CANOLA

Production is forecast to decrease by 17% to 8.0 Mt, as yields are pressured by hot and dry weather. Supply is expected to decrease by 10%, but remain historically high, due to burdensome carry-in stocks. Exports are forecast to decline slightly from 2005-06 record of 5.4 Mt as a result of lower supplies. Domestic crush is forecast to rise slightly following the expansion of some processing plants, with many of the recently announced plants not expected to begin operations until 2007-08. Carry-out stocks are forecast to fall sharply, but will

remain significantly above the 10 year average. Prices are expected to rise from the low of 2005-06, but remain under pressure from low US soybean prices.

FLAXSEED (excluding solin)

Production is forecast to decrease by 10% due to lower yields. However, supplies are expected to rise sharply because of burdensome carry-in stocks caused by the high production in 2005-06. Although exports and total domestic use are forecast to rise, carry-out stocks are expected to increase to a burdensome 0.78 Mt vs. the 10-year average of 0.2 Mt. As a result, prices are forecast to decline.

SOYBEANS

Production is forecast to be similar to 2005-06 as higher area is offset by lower yields. Supply is forecast to increase, as higher carry-in stocks more-than offset lower imports. Exports are forecast to increase to a record high on strength of market development efforts for edible soybeans. Domestic crush is expected to increase slightly. Prices are expected to decline under pressure from higher carry-out stocks and lower US soybean prices.

FURTHER INFORMATION:

Wheat Glenn Lennox (204) 983-8465
E-mail..... lennoxg@agr.gc.ca
Coarse Grains...Bobby Morgan.984-0680
E-mail..... morganb@agr.gc.ca
Oilseeds...Chris Beckman.....984-4929
E-mail.....beckmac@agr.gc.ca
Fred Oleson, Chief 983-0807
E-mail olesonf@agr.gc.ca

www.agr.gc.ca/mad-dam

CANADA: GRAINS AND OILSEEDS SUPPLY AND DISPOSITION

September 1st, 2006

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply thousand metric tonnes	Exports (c)	Food & Industrial Use (e)	Feed, Waste & Dockage	Total Domestic Use (d)	Carry-out Stocks	Average Price (f) \$/t
Durum												
2004-2005	2,230	2,141	2.32	4,962	1	6,752	3,218	254	536	1,013	2,521	201
2005-2006P	2,341	2,297	2.58	5,915	1	8,436	4,100	255	621	1,036	3,300	181*
2006-2007F	1,724	1,706	2.00	3,418	1	6,719	3,800	260	469	919	2,000	189**
Wheat Except Durum												
2004-2005	8,169	7,722	2.71	20,898	13	25,203	11,593	2,845	4,521	8,138	5,471	190
2005-2006P	7,753	7,530	2.77	20,860	20	26,352	11,500	2,870	4,585	8,352	6,500	183*
2006-2007F	8,953	8,825	2.55	22,507	19	29,026	15,000	3,100	4,280	8,226	5,800	201**
All Wheat												
2004-2005	10,399	9,862	2.62	25,860	14	31,955	14,812	3,099	5,056	9,151	7,992	
2005-2006P	10,094	9,826	2.72	26,775	21	34,788	15,600	3,125	5,206	9,388	9,800	
2006-2007F	10,677	10,531	2.46	25,925	20	35,745	18,800	3,360	4,749	9,145	7,800	
Barley												
2004-2005	4,678	4,050	3.26	13,186	83	15,371	1,863	258	9,358	10,019	3,489	112
2005-2006P	4,440	3,889	3.21	12,481	44	16,014	2,500	240	9,459	10,114	3,400	110
2006-2007F	3,868	3,435	2.99	10,287	30	13,717	2,150	290	9,062	9,767	1,800	120-140
Corn												
2004-2005	1,185	1,072	8.24	8,837	2,419	12,399	229	2,395	7,961	10,368	1,802	100
2005-2006P	1,124	1,096	8.63	9,461	1,800	13,062	275	2,600	8,172	10,787	2,000	95-100
2006-2007F	1,132	1,110	8.07	8,960	2,500	13,460	200	3,300	8,445	11,760	1,500	110-130
Oats												
2004-2005	1,995	1,315	2.80	3,683	26	4,497	1,675	118	1,560	1,834	988	131
2005-2006P	1,853	1,326	2.59	3,432	19	4,439	1,700	140	1,529	1,839	900	144
2006-2007F	2,002	1,521	2.48	3,776	10	4,686	1,800	140	1,671	1,986	900	135-155
Rye												
2004-2005	284	165	2.53	418	1	487	122	48	155	220	145	68
2005-2006P	226	148	2.42	359	1	505	123	48	157	222	160	81
2006-2007F	149	138	2.29	316	1	477	110	48	162	227	140	80-100
Mixed Grains												
2004-2005	220	111	2.87	318	0	318	0	0	318	318	0	
2005-2006P	209	109	2.78	303	0	303	0	0	303	303	0	
2006-2007F	232	113	2.80	316	0	316	0	0	316	316	0	
Total Coarse Grains												
2004-2005	8,362	6,713	3.94	26,442	2,528	33,071	3,889	2,819	19,352	22,759	6,424	
2005-2006P	7,852	6,568	3.96	26,036	1,864	34,324	4,598	3,028	19,621	23,266	6,460	
2006-2007F	7,383	6,317	3.74	23,655	2,541	32,656	4,260	3,778	19,656	24,056	4,340	
Canola												
2004-2005	5,319	4,938	1.57	7,728	108	8,444	3,412	3,031	328	3,403	1,629	309
2005-2006P	5,491	5,283	1.83	9,660	125	11,415	5,350	3,423	447	3,915	2,150	278
2006-2007F	5,323	5,239	1.52	7,977	150	10,277	5,000	3,450	482	3,977	1,300	285-315
Flaxseed												
2004-2005	728	528	0.98	517	39	648	468	n/a	n/a	151	30	n/a
2005-2006P	842	803	1.35	1,082	40	1,152	450	n/a	n/a	177	525	276
2006-2007F	838	833	1.17	978	20	1,523	550	n/a	n/a	198	775	240-280
Soybeans												
2004-2005	1,229	1,178	2.59	3,048	393	3,581	1,122	1,610	457	2,190	270	248
2005-2006P	1,176	1,169	2.70	3,161	300	3,731	1,250	1,458	461	2,039	442	215-225
2006-2007F	1,213	1,211	2.61	3,163	250	3,856	1,350	1,550	356	2,006	500	190-230
Total Oilseeds												
2004-2005	7,277	6,643	1.70	11,293	540	12,674	5,002	4,641	904	5,743	1,929	
2005-2006P	7,510	7,255	1.92	13,904	465	16,298	7,050	4,880	908	6,130	3,118	
2006-2007F	7,373	7,283	1.66	12,118	420	15,656	6,900	5,000	838	6,181	2,575	
Total Grains And Oilseeds												
2004-2005	26,038	23,219	2.74	63,596	3,082	77,700	23,702	10,559	25,312	37,653	16,345	
2005-2006P	25,456	23,650	2.82	66,715	2,350	85,410	27,248	11,033	25,735	38,784	19,378	
2006-2007F	25,433	24,131	2.56	61,698	2,981	84,057	29,960	12,138	25,243	39,382	14,715	

(a) Crop year is August-July except corn and soybeans which are September-August.

(b) Excludes imports of products. (c) Includes exports of products for wheat, oats, barley, and rye. Excludes exports of oilseed products.

(d) Total Domestic Use = Food and Industrial Use + Feed Waste & Dockage + Seed Use

(e) Soybean food and industrial use is based on data from the Canadian Oilseed Processors Association. Totals excludes flaxseed due to data confidentiality.

(f) Crop year average prices: No. 1 CWRS 11.5% protein and No. 1 CWAD 11.5% (CWB final price I/S St. Lawrence/Vancouver), Barley (No. 1 feed, WCE, cash, I/S Lethbridge), Corn (No. 2 CE, cash, I/S Chatham), Oats (US No. 2 Heavy, CBOT nearby futures), Rye (No. 1 CW, I/S Saskatoon), Canola (No. 1 Canada, WCE, cash, I/S Vancouver), Flaxseed (No. 1 CW, WCE, cash, I/S Thunder Bay), Soybeans (No. 2, I/S Chatham).

* Canadian Wheat Board Pool Return Outlook - July 27, 2006

** Canadian Wheat Board Pool Return Outlook - August 24, 2006

P: Preliminary estimates

F: Forecast: Agriculture and Agri-Food Canada - September 1st, 2006

Source: Statistics Canada, Cereals and Oilseeds Review Series, Cat. No. 22-007



CANADA: PULSE AND SPECIAL CROPS OUTLOOK

September 1, 2006

For 2006-07, total Canadian production of pulse and special crops is estimated to decrease by 17%, from 2005-06, to 4.44 million tonnes (Mt), based on Statistics Canada's (STC) July 31 production estimates and AAFC forecasts where STC estimates were not available. STC's survey was carried out from July 28 to August 6 and released on August 25, 2006. STC's yield estimates are near trend levels, but lower than in 2005-06 for most crops, except higher for dry beans and sunflower seed. Crop abandonment is estimated to be lower than normal. Harvest progress is ahead of 2005-06 and ahead of normal, with most of the dry peas, lentils and mustard seed already combined. Harvest is also underway for chickpeas, canary seed and dry beans. The buckwheat and sunflower seed harvests are expected to start in mid and late September, respectively. Quality is expected to be normal, assuming generally dry conditions during the remainder of the harvest period. The risk of frost damage is generally low for unharvested fields due to the advanced stage of development.

Total supply is expected to decrease by 12% to 5.89 Mt, as higher carry-in stocks offset some of the decrease in production. Exports, domestic use and carry-out stocks are forecast to decrease because of the lower supply. Average prices, over all types, grades and markets, are forecast to increase for dry peas, lentils, mustard seed, canary seed and sunflower seed, decrease for dry beans and chickpeas, and be the same for buckwheat. The stronger Canadian dollar, compared to the US dollar, is expected to have the largest impact on dry bean and sunflower seed prices, as Canadian prices for these crops are directly related to US prices. The main factors to watch are Canadian weather conditions, especially precipitation, during the remainder of the harvest period. Other factors to watch are the exchange rates of the Canadian dollar against the US dollar and other currencies, ocean shipping rates and growing and harvest conditions in the major producing regions, especially the United States, Australia, India and Mexico.

DRY PEAS

For 2006-07, production and supply are estimated to decrease, as lower yields more than offset the 4% increase in seeded area. Production is expected to decrease for yellow, green and other types. World supply is forecast to decrease by 5% to 11.45 Mt because of lower production and lower carry-in stocks. Canadian exports are forecast to decrease because of the lower Canadian supply. Carry-out stocks are forecast to decrease, with a stocks-to-use ratio (s/u) of 7%. The average price, over all types, grades and markets, is expected to rise from 2005-06 due to the lower supply.

LENTILS

For 2006-07, production and supply are estimated to decrease due to a 34% lower seeded area and lower yields. Production is expected to decrease sharply for large, medium and small green lentils, but increase for red lentils. Carry-in stocks are estimated to be high for green lentils, but low for red lentils. World supply is forecast to remain stable at 4.53 Mt. Canadian exports are expected to increase because of a higher supply of red lentils. Carry-out stocks are forecast to decrease, with a s/u of 43%. The average price is forecast to increase for green lentils, as the supply of green lentils decreases, but decrease for red lentils, as the supply of red lentils increases. Over all types and grades, the average price is forecast to increase.

DRY BEANS

For 2006-07, production and supply are estimated to increase, as a 13% lower seeded area is more than offset by lower abandonment and higher yields. Production is expected to increase for white pea, Great Northern, pinto and black beans, decrease for light and dark red kidney and cranberry beans, and remain stable for pink

and small red beans. In the US, production is expected to fall by 17% to 0.99 Mt, while supply decreases by only 11% to 1.185 Mt due to higher carry-in stocks. Canadian exports are forecast to increase due to the higher supply and strong demand. Carry-out stocks are expected to increase, with a s/u of 10%. The average price, over all classes and grades, is forecast to decrease because of the higher Canadian supply, increased share of lower priced classes of beans in total production, and the stronger Canadian dollar.

CHICKPEAS

For 2006-07, production and supply are estimated to increase, as an 82% higher seeded area more than offsets lower yields. Production is expected to increase for all types, large kabuli, small kabuli and desi. World supply is expected to remain stable at 9.15 Mt, as an increase for the kabuli type is offset by a decrease for the desi type. Although Canadian exports are forecast to increase because of the higher supply, carry-out stocks are expected to rise, with a s/u of 16%. The average price, over all types and grades, is forecast to fall due to the higher world supply of the kabuli type, which accounts for about 87% of Canadian production, although the price of the desi type is forecast to increase.

MUSTARD SEED

For 2006-07, production and supply are estimated to decrease because of a 34% lower seeded area and lower yields. Production is expected to decrease for all types, yellow, brown and oriental. A significant portion of the carry-in stocks is estimated to be low quality seed. Exports are expected to rise due to higher demand and carry-out stocks are forecast to decrease sharply, with a s/u of 34%. The average price, over all types and grades, is

expected to increase due to the lower supply.

CANARY SEED

For 2006-07, production and supply are estimated to decrease due to a 34% lower seeded area and lower yields. World supply is forecast to decrease by 19% to 353,000 t. Canadian exports are expected to remain stable, while carry-out stocks decrease sharply, with a s/u of 45%. The average price is forecast to rise because of the lower supply.

SUNFLOWER SEED

For 2006-07, production and supply are estimated to increase as a 13% lower seeded area is more than offset by lower abandonment and higher yields. Production is expected to increase for both types, confectionery and oilseed. US supply is expected to decrease by 28% to 1.38 Mt. Canadian exports are forecast to increase because of the higher supply and strong demand. Carry-out stocks are expected to remain stable, with a s/u of 15%. The average price, over both types, is forecast to increase because of the lower total US and Canadian supply.

BUCKWHEAT

For 2006-07, Canadian production and supply are forecast to increase due to higher seeded area. The average price is expected to be the same as in 2005-06.

FURTHER INFORMATION:

Stan Skrypetz(204) 983-8972
E-mail skrypetzs@agr.gc.ca
Fred Oleson, Chief(204) 983-0807
E-mail olesonf@agr.gc.ca
www.agr.gc.ca/mad-dam/

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CANADA: PULSE AND SPECIAL CROPS SUPPLY AND DISPOSITION

September 1st, 2006

Grain and Crop Year (a)	Area Seeded thousand ha	Area Harvested thousand ha	Yield t/ha	Production	Imports (b)	Total Supply thousand metric tonnes	Exports (b)	Total Domestic Use (d)	Carry-out Stocks	Average Price (e) \$/t
Dry Peas										
2002-2003	1,297	1,050	1.30	1,365	41	1,681	626	745	310	210
2003-2004	1,303	1,271	1.67	2,124	24	2,458	1,316	937	205	175
2004-2005	1,388	1,345	2.48	3,338	57	3,600	1,853	1,152	595	135
2005-2006p	1,366	1,319	2.35	3,100	80	3,775	2,500	975	300	120
2006-2007f	1,420	1,394	2.00	2,784	100	3,184	2,000	984	200	115-145
Lentils										
2002-2003	601	387	0.91	354	9	494	320	119	55	390
2003-2004	554	536	0.97	520	5	580	367	175	38	420
2004-2005	778	750	1.28	962	10	1,010	451	314	245	310
2005-2006p	884	862	1.48	1,278	8	1,531	650	311	570	230
2006-2007f	587	583	1.34	784	10	1,364	700	254	410	235-265
Dry Beans										
2002-2003	230	219	1.89	414	40	489	298	96	95	445
2003-2004	167	167	2.13	356	31	482	344	83	55	495
2004-2005	163	126	1.75	220	28	303	278	20	5	650
2005-2006p	197	175	1.85	324	37	366	290	46	30	495
2006-2007f	172	172	1.95	336	25	391	310	46	35	470-500
Chickpeas										
2002-2003	221	154	1.01	156	9	345	105	160	80	300
2003-2004	63	63	1.08	68	2	150	74	51	25	330
2004-2005	47	39	1.31	51	4	80	47	28	5	385
2005-2006p	79	73	1.42	104	8	117	70	37	10	485
2006-2007f	144	142	1.15	163	5	178	110	43	25	415-445
Mustard Seed										
2002-2003	289	255	0.60	154	9	196	114	22	60	595
2003-2004	340	328	0.69	226	2	288	121	75	92	390
2004-2005	317	304	1.01	306	1	399	119	86	194	295
2005-2006p	212	206	0.98	201	1	396	135	86	175	265
2006-2007f	140	132	0.89	118	1	294	140	79	75	285-315
Canary Seed										
2002-2003	287	227	0.78	176	0	206	160	26	20	575
2003-2004	251	243	0.93	226	0	246	165	14	67	345
2004-2005	356	318	0.95	301	0	368	163	35	170	230
2005-2006p	190	186	1.22	227	0	397	180	32	185	195
2006-2007f	125	123	1.00	123	0	308	180	33	95	200-230
Sunflower Seed										
2002-2003	100	95	1.65	157	21	200	105	60	35	440
2003-2004	119	115	1.30	150	16	201	96	80	25	405
2004-2005	87	59	0.92	54	35	114	32	64	18	490
2005-2006p	93	75	1.19	89	25	132	45	67	20	345
2006-2007f	81	80	1.48	118	20	158	65	73	20	345-375
Buckwheat										
2002-2003	12	12	1.00	12	1	16	6	7	3	340
2003-2004	9	9	1.11	10	1	14	5	7	2	355
2004-2005	9	7	0.71	5	1	8	4	4	0	355
2005-2006p	7	6	1.33	8	1	9	4	5	0	355
2006-2007f	10	9	1.00	9	1	10	5	5	0	340-370
Total Pulse And Special Crops (c)										
2002-2003	3,036	2,399	1.16	2,788	130	3,627	1,734	1,235	658	
2003-2004	2,805	2,732	1.35	3,680	81	4,419	2,488	1,422	509	
2004-2005	3,145	2,948	1.78	5,237	136	5,882	2,947	1,703	1,232	
2005-2006p	3,028	2,902	1.84	5,331	160	6,723	3,874	1,559	1,290	
2006-2007f	2,679	2,635	1.68	4,435	162	5,887	3,510	1,517	860	

(a) August-July crop year.

(b) Excludes products.

(c) Includes Pulse Crops (dry peas, lentils, dry beans, chick peas) and Special Crops (mustard seed, canary seed, sunflower seed, buckwheat)

(d) Includes food, feed, seed, waste and dockage. Total domestic use is calculated residually.

(e) Producer price, FOB plant. Average over all types, grades and markets.

p: preliminary

f: forecast, Agriculture and Agri-Food Canada, September 1st, 2006

Source: Statistics Canada and industry consultations.

A. SELLING PRICE OF BULK FEED INGREDIENTS AT SELECTED POINTS

September 5, 2006

SELECTED POINT	REFERENCE PERIOD	PRICE BASIS	(1) WHEAT	OATS	BARLEY	CORN	PRICE BASIS	SOYBEAN MEAL	CANOLA MEAL	MILL-FEEDS	MEAT MEAL	FISH MEAL	ANIMAL FAT	GLUTEN MEAL	GLUTEN FEED	FEED PEAS	DEHY ALFALFA	FEATHER MEAL
Vancouver BC (4) (7)	September 5, 2006	FOB	155.00	N/A	139.00	147.00		235.00	151.00	117.00		1025.00	520.00					375.00
	August 28, 2006		150.00	N/A	139.00	146.00		233.50	146.00	115.00		1050.00	520.00					375.00
Calgary AB (4)	September 5, 2006	FOB	111.00	N/A	107.00	135.00		227.50			150.00	1050.00	430.00					340.00
	August 28, 2006		108.00	N/A	106.00	132.00		227.00			150.00	1050.00	430.00					340.00
Saskatoon SK (4)	September 5, 2006	FOB	112.50	145.00	103.00	127.00		233.50	N/A		160.00	N/A	430.00			125.00		350.00
	August 28, 2006		112.50	145.00	103.00	126.00		231.50	N/A		160.00	N/A	430.00			124.00		350.00
Winnipeg MB (4) (9)	September 5, 2006	FOB	142.50	140.00	112.00	120.00		216.00	N/A		260.00	1087.50	515.00					380.00
	August 28, 2006		142.00	140.00	111.00	116.00		215.00	N/A		260.00	1087.50	515.00					380.00
Thunder Bay ON (8)	September 5, 2006	In-Store	129.00	N/A	107.00													
	August 28, 2006		129.00	N/A	106.00													
Lake Ports USA (3)	September 5, 2006	On Board				102.28												
	August 28, 2006	Vessel				100.33												
Bay Ports ON	September 5, 2006	In-Store	163.50	200.00	85.00													
	August 28, 2006		163.00	200.00	80.00													
Chatham ON	September 5, 2006	Track				105.10												
	August 28, 2006					98.33												
Toronto ON (5)	September 5, 2006	N/A					FOB				189.33		385.00	N/A	N/A		285.00	320.00
	August 28, 2006										182.00		385.00	N/A	N/A		285.00	320.00
Hamilton ON	September 5, 2006	N/A						206.96	N/A									
	August 28, 2006							212.19	N/A									
Eastern ON	September 5, 2006	FOB				106.00												
	August 28, 2006					108.00												
London ON	September 5, 2006	FOB												340.00	75.00			
	August 28, 2006													340.00	75.00			
Port Colborne ON	September 5, 2006	FOB								45.00				340.00	75.00			
	August 28, 2006									36.00				340.00	75.00			
Cardinal ON	September 5, 2006	FOB												345.00	90.00			
	August 28, 2006													345.00	90.00			
Montreal QC (5)	September 5, 2006		167.00	165.00	145.00	125.00		220.88	151.50	75.00	180.00	N/A	432.50	N/A	N/A		270.00	360.00
	August 28, 2006		167.00	165.00	145.00	125.00	FOB	223.07	153.00	75.00	180.00	N/A	427.00	N/A	N/A		270.00	360.00
Trois-Rivières QC	September 5, 2006	In-Store	169.00		147.50	129.91												
	August 28, 2006		172.50		142.60	120.07												
St. Jean QC (2)	September 5, 2006	FOB	143.38	136.75	120.63	122.75		217.80										
St. Hyacinthe QC	August 28, 2006		146.50	136.50	120.90	122.51		224.70										
Quebec QC	September 5, 2006	In-Store	168.67	N/A	164.15	126.93		225.90	159.93									
	August 28, 2006		167.17	N/A	164.56	122.09		228.85	159.97									
Truro NS	September 5, 2006	Track	204.58	N/A	163.21	151.57		256.51	185.82		251.60		565.00					340.00
	August 28, 2006		202.19	N/A	163.21	147.66	FOB	258.09	185.82		241.10		565.00					340.00
Truro NS	September 5, 2006	Water	N/A	N/A	N/A	N/A												
	August 28, 2006	& Truck	N/A	N/A	N/A	N/A												
Halifax NS (6)	September 5, 2006	In-Store	186.75	N/A	N/A	151.70		277.00	230.30	297.50		N/A						
	August 28, 2006		185.75	N/A	N/A	152.98		277.00	230.75	297.50		N/A						

Source: Market Analysis Division, Agriculture and Agri-Food Canada; Thunder Bay prices are based on the Winnipeg Commodity Exchange (WCE) market close

US\$1.00 = CANS 1.1056

Closing date September 1/2006

Contact: André Doumbé Statistical Clerk Telephone: (204) 983-0581 Fax: (204) 983-5524 Email: doumbea@agr.gc.ca

N/A = not available

Footnotes: All prices in Canadian dollars per metric tonne based on survey respondents.

Grain grades (unless otherwise specified) are: Western or Eastern Feed Wheat, Feed Oats, No.1 Canada Western or Eastern Barley, No.2 Canada Yellow Corn, No.3 US Yellow Corn.

Soybean Meal 48 % Protein. Canola Meal based on minimum standard of 35% Protein. Fish Meal: white fish and/or herring meal. Gluten Meal 60% Protein. Gluten Feed 21% Protein.

(1) Wheat 3CWS (2) Canadian Corn #3 or #2 (3) US Corn (4) Fish Meal from West Coast 63% Protein (5) Fish Meal 60% Protein (6) Herring Fish Meal (7) Fraser Valley (8) Wheat & Barley (Basis - Cash Price WCE) (9) Oats 3CW

B. CASH PRICES AND REPLACEMENT VALUES

September 5, 2006

PRAIRIE GRAINS

Selected Points	Price Basis		This week September 5, 2006	Last week August 21, 2006	Month ago August 8, 2006	Year Ago September 6, 2005
From: Thunder Bay(WCE) (2)	In-Store	Wheat	128.00	132.00	134.00	107.00
(CBOT)		Oat	183.75	175.25	181.00	142.25
(Lethbridge)		Barley	113.00	110.00	113.00	102.00
To: Bayport, ON (1)	In-store	Wheat	151.61	155.61	157.61	130.61
		Oat	N/A	N/A	N/A	N/A
		Barley	140.39	137.39	140.39	129.39
Montreal, QC (1)	In-store	Wheat	156.03	160.03	162.03	135.03
		Oat	N/A	N/A	N/A	N/A
		Barley	145.31	142.31	145.31	134.31
Moncton, NB	Truck via Halifax	Wheat	178.25	182.25	184.25	157.25
		Oat	N/A	N/A	N/A	N/A
		Barley	169.50	166.50	169.50	158.50
Truro, NS	Truck via Halifax	Wheat	172.22	176.22	178.22	151.22
		Oat	N/A	N/A	N/A	N/A
		Barley	167.00	164.00	167.00	156.00
Halifax, NS (1)	In-store	Wheat	163.28	167.28	169.28	142.28
		Oat	N/A	N/A	N/A	N/A
		Barley	153.30	150.30	153.30	142.30
Stephenville, NL	Track / Truck via Sydney	Wheat	226.63	230.63	232.63	205.63
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Melfort, SK		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Bayport, ON	Track	Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Montreal, QC	Track	Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Moncton, NB	Track	Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Truro, NS	Track	Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Stephenville, NL	Track / Truck via Sydney	Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A

Selected Points	Price Basis		This week September 5, 2006	Last Week August 21, 2006	Month Ago August 8, 2006	Year Ago September 6, 2005
From: US Lake Port	On Board Vessel		102.28	100.11	108.59	94.61
To: Montreal, QC (1)	In-store		121.32	119.15	127.63	113.65
From: Chicago (IL)	Track		98.37	97.06	105.48	101.62
To: Montreal, QC	Track		127.23	125.92	134.34	130.48
From: Chatham, ON	Track		105.10	98.33	104.94	105.65
To: Montreal, QC	Track		128.97	122.20	128.81	129.52

Soymeal 48% Protein

From: Hamilton, ON			206.96	212.19	210.43	274.58
To: Montreal, QC	Track		231.29	236.52	234.76	298.91
Moncton, NB	Track		250.04	255.27	253.51	317.66
Truro, NS	Track		253.26	258.49	256.73	320.88
Stephenville, NL	Track / Truck via Sydney		301.89	307.12	305.36	369.51

1. Prices include ONE month of storage and interest charges n/a = not available

2. Thunder Bay prices are based on the Winnipeg Commodities Exchange market close (Cash price)

Source: Market Analysis Division, Agriculture and Agri-Food Canada

Contact: André Doumbé: Statistical Clerk (204) 983-0581 Fax: (204) 983-5524 e-mail: doumbea@agr.gc.ca

Footnotes: All prices quoted in Canadian dollars per metric tonne.

Grain grades (unless otherwise specified) are: Canada Western Feed Wheat, Feed Oats, No.1 Canada Western Barley, No.2 Canada Yellow Corn, No.3 US Yellow Corn.

Replacement value for grain in-store Montreal can be applied to Sorel, Trois-Rivières and Quebec.

Replacement values reflect quoted cash prices at shipping points plus the full transfer costs including duty and exchange where applicable

A. SELLING PRICE OF BULK FEED INGREDIENTS AT SELECTED POINTS

August 21, 2006

SELECTED POINT	REFERENCE PERIOD	PRICE BASIS	(1) WHEAT	OATS	BARLEY	CORN	PRICE BASIS	SOYBEAN MEAL	CANOLA MEAL	MILL-FEEDS	MEAT MEAL	FISH MEAL	ANIMAL FAT	GLUTEN MEAL	GLUTEN FEED	FEED PEAS	DEHY ALFALFA	FEATHER MEAL
Vancouver BC (4) (7)	August 21, 2006	FOB	161.00	N/A	149.00	146.00		236.50	146.00	115.00		1050.00	520.00					375.00
	August 14, 2006		161.00	N/A	149.00	146.00		239.00	146.00	115.00		1050.00	520.00					385.00
Calgary AB (4)	August 21, 2006	FOB	108.00	N/A	108.00	130.00		229.50			150.00	1050.00	430.00					350.00
	August 14, 2006		108.00	N/A	108.00	132.00		231.50			150.00	1050.00	430.00					350.00
Saskatoon SK (4)	August 21, 2006	FOB	112.50	145.00	103.00	126.00		235.00	N/A		160.00	N/A	430.00			124.00		360.00
	August 14, 2006		112.50	145.00	103.00	124.00		237.00	N/A		160.00	N/A	430.00			119.00		360.00
Winnipeg MB (4) (9)	August 21, 2006	FOB	142.50	140.00	112.00	116.00		217.00	N/A		260.00	1087.50	515.00					380.00
	August 14, 2006		142.50	140.00	111.50	114.00		219.50	N/A		260.00	1087.50	515.00					380.00
Thunder Bay ON (8)	August 21, 2006	In-Store	135.00	N/A	117.30													
	August 14, 2006		133.30	N/A	108.00													
Lake Ports USA (3)	August 21, 2006	On Board				99.39												
	August 14, 2006	Vessel				101.34												
Bay Ports ON	August 21, 2006	In-Store	163.00	205.00	110.00													
	August 14, 2006		162.00	205.00	110.00													
Chatham ON	August 21, 2006	Track				99.44												
	August 14, 2006					99.53												
Toronto ON (5)	August 21, 2006	N/A					FOB				182.00		385.00	N/A	N/A		285.00	320.00
	August 14, 2006										182.00		385.00	N/A	N/A		285.00	325.00
Hamilton ON	August 21, 2006	N/A						211.97	N/A									
	August 14, 2006							211.97	N/A									
Eastern ON	August 21, 2006	FOB				107.00												
	August 14, 2006					108.50												
London ON	August 21, 2006	FOB												340.00	75.00			
	August 14, 2006													340.00	75.00			
Port Colborne ON	August 21, 2006	FOB								38.00				340.00	75.00			
	August 14, 2006									45.00				340.00	75.00			
Cardinal ON	August 21, 2006	FOB												345.00	90.00			
	August 14, 2006													345.00	90.00			
Montreal QC (5)	August 21, 2006		167.00	165.00	145.00	125.00		224.62	158.13	71.67	180.00	850.00	407.00	N/A	N/A		270.00	360.00
	August 14, 2006		167.00	165.00	145.00	125.00	FOB	224.43	158.50	76.67	180.00	850.00	418.50	N/A	N/A		270.00	360.00
Trois-Rivières QC	August 21, 2006	In-Store	169.30		142.60	116.43												
	August 14, 2006		163.10		147.70	127.85												
St. Jean QC (2)	August 21, 2006	FOB	142.33	136.25	120.90	119.75		226.60										
St. Hyacinthe QC	August 14, 2006		141.78	139.25	121.68	119.00		228.30										
Quebec QC	August 21, 2006	In-Store	167.10	N/A	162.69	123.52		230.67	160.67									
	August 14, 2006		165.37	N/A	161.97	125.02		229.97	160.67									
Truro NS	August 21, 2006	Track	203.45	N/A	168.60	150.60		258.08	186.92		241.10		554.00					360.00
	August 14, 2006		208.15	N/A	168.60	156.45	FOB	262.11	186.92		241.10		554.00					360.00
Truro NS	August 21, 2006	Water	N/A	N/A	N/A	N/A												
	August 14, 2006	& Truck	N/A	N/A	N/A	N/A												
Halifax NS (6)	August 21, 2006	In-Store	181.95	N/A	N/A	151.73		282.00	230.20	297.50		N/A						
	August 14, 2006		186.20	N/A	N/A	153.73		281.80	222.85	297.50		N/A						

Source: Market Analysis Division, Agriculture and Agri-Food Canada; Thunder Bay prices are based on the Winnipeg Commodity Exchange (WCE) market close

US\$1.00 = CANS 1.1233

Closing date August 18/2006

Contact: André Doumbé Statistical Clerk Telephone: (204) 983-0581 Fax: (204) 983-5524 Email: doumba@agr.gc.ca

N/A = not available

Footnotes: All prices in Canadian dollars per metric tonne based on survey respondents.

Grain grades (unless otherwise specified) are: Western or Eastern Feed Wheat. Feed Oats. No. 1 Canada Western or Eastern Barley. No. 2 Canada Yellow Corn. No. 3 US Yellow Corn.

Soybean Meal 48% Protein. Canola Meal based on minimum standard of 35% Protein. Fish Meal: white fish and/or herring meal. Gluten Meal 60% Protein. Gluten Feed 21% Protein.

(1) Wheat 3CWRS (2) Canadian Corn #3 or #2 (3) US Corn (4) Fish Meal from West Coast 63% Protein (5) Fish Meal 60% Protein (6) Herring Fish Meal (7) Fraser Valley (8) Wheat & Barley (Basis - Cash Price WCE) (9) Oats 3CW

B. CASH PRICES AND REPLACEMENT VALUES

August 21, 2006

PRAIRIE GRAINS

Selected Points	Price Basis		This week August 21, 2006	Last week August 8, 2006	Month ago July 24, 2006	Year Ago August 22, 2005
From: Thunder Bay(WCE) (2)	In-Store	Wheat	132.00	134.00	134.00	107.00
(CBOT)		Oat	175.25	181.00	189.75	149.50
(Lethbridge)		Barley	110.00	113.00	110.00	104.00
To: Bayport, ON (1)	In-store	Wheat	155.61	157.61	157.61	130.61
		Oat	N/A	N/A	N/A	N/A
		Barley	137.39	140.39	137.39	131.39
Montreal, QC (1)	In-store	Wheat	160.03	162.03	162.03	135.03
		Oat	N/A	N/A	N/A	N/A
		Barley	142.31	145.31	142.31	136.31
Moncton, NB	Truck via Halifax	Wheat	182.25	184.25	184.25	157.25
		Oat	N/A	N/A	N/A	N/A
		Barley	166.50	169.50	166.50	160.50
Truro, NS	Truck via Halifax	Wheat	176.22	178.22	178.22	151.22
		Oat	N/A	N/A	N/A	N/A
		Barley	164.00	167.00	164.00	158.00
Halifax, NS (1)	In-store	Wheat	167.28	169.28	169.28	142.28
		Oat	N/A	N/A	N/A	N/A
		Barley	150.30	153.30	150.30	144.30
Stephenville, NL	Track / Truck via Sydney	Wheat	230.63	232.63	232.63	205.63
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A
Melfort, SK		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Bayport, ON		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Montreal, QC		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Moncton, NB		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track	Barley	N/A	N/A	N/A	N/A
Truro, NS		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
	Track / Truck via Sydney	Barley	N/A	N/A	N/A	N/A
Stephenville, NL		Wheat	N/A	N/A	N/A	N/A
		Oat	N/A	N/A	N/A	N/A
		Barley	N/A	N/A	N/A	N/A

Selected Points	Price Basis		This week August 21, 2006	Last Week August 8, 2006	Month Ago July 24, 2006	Year Ago August 22, 2005
Corn						
From: US Lake Port	On Board Vessel		99.39	108.59	108.93	98.09
To: Montreal, QC (1)	In-store		118.43	127.63	127.97	117.13
From: Chicago (IL)	Track		96.29	105.48	107.59	99.04
To: Montreal, QC	Track		125.15	134.34	136.45	127.90
From: Chatham, ON	Track		99.44	104.94	104.21	109.27
To: Montreal, QC	Track		123.31	128.81	128.08	133.14

Soymeal 48% Protein

From: Hamilton, ON			211.97	210.43	218.81	283.07
To: Montreal, QC	Track		236.30	234.76	243.14	307.40
Moncton, NB	Track		255.05	253.51	261.89	326.15
Truro, NS	Track		258.27	256.73	265.11	329.37
Stephenville, NL	Track / Truck via Sydney		306.90	305.36	313.74	378.00

1. Prices include ONE month of storage and interest charges n/a = not available
 2. Thunder Bay prices are based on the Winnipeg Commodities Exchange market close (Cash price)

Source: Market Analysis Division, Agriculture and Agri-Food Canada

Contact: André Doumbé: Statistical Clerk (204) 983-0581 Fax: (204) 983-5524 e-mail: doumbea@agr.gc.ca

Footnotes: All prices quoted in Canadian dollars per metric tonne.

Grain grades (unless otherwise specified) are: Canada Western Feed Wheat, Feed Oats, No.1 Canada Western Barley, No.2 Canada Yellow Corn, No.3 US Yellow Corn.

Replacement value for grain in-store Montreal can be applied to Sorel, Trois-Rivières and Quebec.

Replacement values reflect quoted cash prices at shipping points plus the full transfer costs including duty and exchange where applicable

and the United States. Exports of the desi type are mainly to Asia, while exports of the kabuli type are to all regions of the world.

Prices

Canadian prices are largely determined in the international market because Canada exports most of its production. Although prices of the large kabuli type are higher than for the desi type, they are also more volatile. Prices of the large kabuli type increase as the size of the seed increases from 7 mm, to 8 mm, to 9 mm and to 10 mm. The producer receives a weighted average price for kabuli chickpeas based on the percentage of various sized seed. The price of the small kabuli type is generally higher than for the desi type, but lower than the weighted average large kabuli type price. Since there is no futures market for chickpeas, prices are negotiated directly between producers and dealers based on supply and demand factors for each type of chickpea.

Organizations

The **Canadian Grain Commission (CGC)** administers quality standards for chickpeas. The grades are No. 1, 2 and 3 Canada Western (CW) Kabuli, and No. 1, 2 and 3 CW Desi. Chickpeas which do not meet the listed grade standards are graded Sample.

The major quality concerns in chickpea grading are damage due to heating and peeling, split or broken seed, seed discolouration, as well as foreign material. For further information, or to access the Official Grain Grading Guide, please visit the CGC website: (www.grainscanada.gc.ca)

The **Canadian Special Crops Association (CSCA - www.specialcrops.mb.ca)** establishes trade rules and serves as a forum for exporters, dealers and brokers involved in the industry of trading Canada's pulse and special crops, including chickpeas. The website includes a section where buyers can submit a request for prices.

Pulse Canada (www.pulsecanada.com) is an industry organization, with the CSCA and provincial pulse growers' organizations as members. It is involved in market development, market access, policy issues and coordination of scientific research. The website contains information on pulse crops, markets, and health and nutrition.

Pulse Innovation Project (PIP)

PIP is managed by Pulse Canada and funded mainly by a \$3.2M, over three years

starting in 2005, contribution from Agriculture and Agri-Food Canada (AAFC) under the Science and Innovation pillar of the Agricultural Policy Framework. The goal of the PIP is to stimulate innovation in product development by understanding industry needs and targeting research that will boost the incorporation of pulses, including chickpeas, into food and industrial products. It will support the development and commercialization of products by working with food processors and ingredient manufacturers to ensure that the end results are foods that will be found on grocery store shelves, targeting products that are economic, convenient and enhance nutrition and health. In addition, PIP will explore and support industrial avenues for pulses to ensure the maximum value added opportunities for producers.

In August 2006, it was announced that Pulse Canada was allocated an additional \$525,800 from AAFC in support of their international strategy until March 2008. Pulse Canada will focus its strategy on increasing demand for pulses in new or emerging markets within the more than 160 countries that have purchased Canadian pulses in the last four years. It will also seek to increase demand by promoting the health benefits of pulses in international markets.

USE

More than 90% of chickpeas are consumed in the countries where they are produced. Chickpeas are used almost exclusively for human consumption. The desi type seed must be dehulled and is used whole or split or milled. In the Indian sub-continent, the desi chickpeas are used whole, dehulled and split to produce dhal, or ground into fine flour called *besan*. *Besan* is used in many ways for cooking, including mixed with wheat flour to make roti or chapatti, and for making sweets and snacks. Kabuli chickpeas are substituted for desi chickpeas if the price is competitive. In addition, yellow peas are used as a substitute for chickpeas for the lowest income consumers if the price of yellow peas is lower. In the Middle East, consumption is based on a popular dish known as "hummus" which is produced from mashed chickpeas mixed with oil and spices. The large kabuli type is used mainly in salad bars and vegetable mixes. Chickpeas are also used as a vegetable and in preparing a wide variety of snack foods, soups, sweets, and condiments. Smaller size kabuli chickpeas are also milled for flour.

Healthy Diet

Pulses, including chickpeas are increasingly being used in health-conscious diets to promote general well-being and reduce the risk of illness. They are low in fat, low in sodium, cholesterol free, high in protein, and are an excellent source of both soluble and insoluble fibre, complex carbohydrates, and vitamins and minerals, especially B vitamins, potassium and phosphorus.

Since chickpeas are low in fat, low in sodium and are cholesterol free, they are an excellent heart healthy food that may be beneficial to the prevention of cardiovascular disease. Chickpeas are an inexpensive, high quality source of protein. Studies have shown that whole pulses (including chickpeas) have demonstrated cholesterol and lipid lowering effects in humans.

Studies have reported the beneficial effects of soluble dietary fibre on cardiovascular disease in humans, especially in lowering both total serum and LDL-cholesterol levels. In addition, clinical research has shown soluble fibre to be beneficial in the management of type-2 diabetes. Insoluble dietary fibre consumption can be beneficial to a healthy colon and has been associated with reducing the risk of colon cancer. Diets high in fibre have demonstrated beneficial effects on weight loss because they deliver more bulk and less energy.

Chickpeas are an excellent source of the B vitamin *folate* which is an essential nutrient. In addition, folate consumption during pregnancy has been shown to reduce the risk of neural tube defects.

Flour made from chickpeas is gluten free and is a very nutritious option for people with celiac disease.

OUTLOOK

World: 2006-2007

World production is forecast to decrease by 2% from 2005-2006 to 8.65 Mt, as an increase in production for the kabuli type is more than offset by a decrease for the desi type. Total supply is expected to remain relatively stable at 9.15 Mt because of higher carry-in stocks. The world production forecast for 2006-2007 is preliminary as seeding in India does not occur until October and November, the Australian harvest occurs in November and December and information about production in the Middle East and Mexico is limited.

India: 2006-2007

Chickpeas in India are grown as a winter crop in the central and northern parts of the country. Nearly all of the chickpeas produced in India are the desi type. Chickpeas are generally seeded in October and November and harvested mainly in March and April. Most of the rainfall in the chickpea growing areas occurs during the summer monsoon season, which normally lasts from early June to early October in the

central parts of the country and mid-June to late September in the north-western parts. The monsoon rainfall provides moisture for the summer crops and a moisture reserve for winter crops, such as chickpeas. Chickpeas are generally grown without irrigation. In 2006, the monsoon rainfall to date has been normal in most chickpea growing areas. The chickpea crop also needs winter rains, but winter rainfall is much lower and less reliable than during the

summer. Although there is a great deal of uncertainty about the 2006-2007 chickpea crop in India, production is expected to increase because high prices are expected to encourage additional seeding.

India is expected to be a strong importer of chickpeas at least until the size and condition of the 2006-2007 crop is known. Adding to the demand is the elimination of import tariffs by the government of India until March 31, 2007. The government of India also banned exports until March 31, 2006 which provides Canadian exporters additional market opportunities in other countries.

chickpeas and decrease for large and small kabuli chickpeas in response to the respective supply situations.

Canada: longer term

Work is underway to (1) develop varieties which are more resistant to ascochyta blight and mature earlier, making them more suitable for Canadian growing conditions, (2) provide additional weed control options for chickpeas, (3) develop larger kabuli chickpeas and desi chickpeas with light tan or tan seed colour, which is expected to increase market opportunities for Canadian chickpeas, and (4) increase demand for Canadian chickpeas through the Pulse Innovation Project. With the improvements in varieties, weed control and increased market demand, and with a growing core of producers who are experienced in growing chickpeas, the seeded area is expected to increase significantly. However, any expansion will also depend on the prices which producers will be able to obtain.

For more information please contact:

Stan Skrypetz,
Pulse and Special Crops Analyst
Phone: (204) 983-8972
E-mail: skrypetzs@agr.gc.ca

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500-303 Main Street
Winnipeg, Manitoba, Canada R3C 3G7
Telephone: (204) 983-8473
Fax: (204) 983-5524

Director: Maggie Liu
Chief: Fred Oleson
Editor: Joe Wang

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WORLD: CHICKPEA EXPORTS

calendar year	2001	2002	2003	2004	2005
.....thousand tonnes.....					
Australia	267	94	144	149	187
Turkey	154	105	190	133	124
Iran	124	140	87	85	n/a
Mexico	207	143	141	83	79
Canada	149	125	88	68	59
Syria	1	1	8	29	n/a
Tanzania	9	21	27	25	n/a
Pakistan	5	3	8	18	n/a
Morocco	2	3	12	13	n/a
United States	29	23	15	12	21
India	2	2	3	12	29
Russia	6	10	15	9	14
Other	43	51	43	46	n/a
Total	998	721	781	682	n/a

WORLD: CHICKPEA IMPORTS

calendar year	2001	2002	2003	2004	2005
.....thousand tonnes.....					
India	517	218	259	133	258
Bangladesh	38	57	84	105	n/a
Pakistan	106	182	123	69	n/a
Spain	69	58	54	58	56
Algeria	70	34	51	49	47
Italy	23	22	21	28	22
Jordan	22	21	23	24	n/a
Sri Lanka	13	17	20	23	n/a
United Arab Emirates	32	44	31	21	n/a
Tunisia	20	19	19	20	n/a
United Kingdom	16	18	18	20	24
Saudi Arabia	25	23	23	17	n/a
United States	11	12	10	14	10
Iraq	1	1	63	12	n/a
Portugal	12	12	12	11	12
France	13	11	11	9	9
Lebanon	17	10	9	9	n/a
Colombia	10	10	12	9	10
Other	103	91	79	101	n/a
Total	1,118	860	922	732	n/a

The difference between imports and exports is attributed to the timing of delivery and international classification differences.

n/a: not available

Source: FAO, Statistics Canada, USDA, Global Trade Atlas – September 2006

Canada: 2006-2007

Area seeded in Canada increased by 82% because of attractive prices for the kabuli type, high yields in 2005-2006 and good movement to markets. Production is expected to increase by 57% to 163,000 t, with increases for all types, large and small kabuli and desi. Average yields are expected to be slightly below trend, and sharply lower than in 2005-2006. Crop development and harvest progress have been ahead of normal and quality is expected to be normal. Supply is expected to increase by 52% to 178,000 t. Exports are forecast to increase due to the higher supply and strong demand.

Carry-out stocks are forecast to increase, with a stocks-to-use ratio of 16%. Prices are forecast to increase for desi

While the Market Analysis Division assumes responsibility for all information contained in this bulletin, we wish to gratefully acknowledge input from the following:

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